

Tucson Unified School District
Audit Committee Charter Supplement
Internal Audit Charter

The Governing Board established the internal audit activity on February 14, 2017. This audit charter defines the internal audit activity's role and responsibilities. This charter and the audit plan will be approved July of each year by the Governing Board.

MISSION

The internal auditor for TUSD will provide independent and objective audit services for the district. The internal auditor will perform audits to access and/or help improve:

- The efficiency and effectiveness of operations.
- Compliance with state and federal regulations.
- IT system controls.
- Reliability of financial statements.
- Internal controls.
- Risk management.
- Safeguarding of assets.

ANNUAL AUDIT PLAN

Annually the internal auditor, in consultation with the audit committee, will create and submit an audit plan to the Governing Board for review and approval. The audit plan will be a living document. Therefore, the internal auditor will adjust the plan when necessary in response to direction from the Governing Board, Superintendent, audit committee, or operations. The purpose of the audit plan is to:

- Help the Superintendent determine whether his/her strategic plan is functioning as intended.
- Perform audits that are of high interest to the Governing board, audit committee, and the superintendent.
- Promote, build, and maintain the public's trust in TUSD.

INDEPENDENCE

Yearly, the internal auditor will document his/her independence on an Independence Statement signed by the Governing Board, audit committee chair, and Superintendent stating that the auditor is independent. The internal auditor will have no operational responsibility, financial interest, or authority over any audited activity. Additionally, the auditor should be free from any relationships that may impair or be presumed to impair his/her unbiased assessment. Furthermore, the internal auditor will not prepare records, develop procedures, implement internal controls, install systems, or engage in any other activity that will impair the auditor's judgement.

ADHERING TO STANDARDS

The internal auditor will adhere to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal auditor will adhere to TUSD relevant policies and procedures, Generally Accepted Government Auditing Standards (GAGAS), and Generally Accepted Accounting Principles.

ACCESS

The internal auditor will be granted unrestricted access to all of TUSD's records. All TUSD employees and contractors are required to assist the internal auditor in performing his/her duties. Any refusal to provide the internal auditor documents to carry out his/her duties will be considered a denial of access and elevated first to the audit committee or Superintendent then to the Governing Board (if necessary) for resolution. While records are under the control of the internal auditor, she/he will be accountable for assets, confidentiality, and safeguarding information.

INTERNAL AUDITOR REPORTING STRUCTURE

The internal auditor will report functionally to the Governing Board and administratively to the Superintendent. If there are disagreements between the internal auditor and the auditee, the dispute will be elevated to Superintendent and/or Governing Board for resolution.

The internal auditor will present all reports, presentations, findings, and policy changes to the audit committee prior to presenting any information to the Governing Board, unless otherwise specifically directed by the Governing Board. The purpose of review of the internal auditor's work by the audit committee is for advice and feedback, and is not to be considered supervisory of the internal auditor or in any other way impede the independence of the internal auditor or his/her direct relationship with the Governing Board.

TRACKING AUDIT FINDINGS

The external auditors and the audited TUSD department will brief the internal auditor to ensure that external reports with findings are receiving attention. The internal auditor will be informed of negative findings, necessary corrective actions, and a timeframe for resolution. The internal auditor will track all outstanding material misstatements and recommendations identified by external auditors.

Additionally, for all internal audits the auditor will identify a point of contact for any outstanding recommendations and receive updates until the recommendation is resolved.

QUALITY ASSURANCE

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether the internal auditor applies the Code of Ethics. Annually, the audit committee will review a set of the auditor's workpapers, note any negative findings, and discuss areas for improvement with the internal auditor. Additionally, once every three years the internal auditor should have a peer review (from an Arizona government internal audit activity) to adhere to GAGAS. The results of this peer review should be briefed to the Governing Board.

The internal auditor must complete 80 hours of Continuing Professional Education every 2 years with no less than 20 hours each year. The purpose of the CPE is to stay current with updates in the profession, improve auditing techniques, and maintain certifications. The CPE will be funded by TUSD.

This Internal Audit Charter was signed by:

Demetrius Lee, Internal Auditor 11-17-2017
Date

Rachel Wall, Audit Committee Chair 11-17-2017
Date

Gabriel Trujillo, Ed.D., Superintendent 4-10-2018
Date

APPROVED this 24 day of April, 2018, by the Governing Board of Tucson Unified School District 1:

Mark Stegeman, Governing Board President